

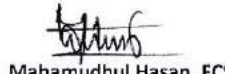
**Prime Insurance Company Limited**  
**Statement of Financial Position (Un-Audited)**

As at June 30, 2023

Particulars	Notes	Amount in Taka	
		30.06.2023	31.12.2022
<b>Shareholders' Equity &amp; Liabilities</b>			
<b>Authorized share capital</b>			
100,000,000 ordinary shares of Tk.10 each		1,000,000,000	1,000,000,000
<b>Issued, subscribed &amp; paid-up capital</b>			
40,877,498 ordinary shares of Tk.10 each		408,774,980	408,774,980
<b>Reserve and contingent account</b>		450,427,905	388,599,434
Reserve for exceptional losses		349,849,789	331,368,032
General reserve fund		11,400,000	11,400,000
Profit & loss appropriation account		89,178,116	45,831,402
<b>Shareholders' equity:</b>		<b>859,202,885</b>	<b>797,374,414</b>
Balance of funds and accounts		180,128,756	208,724,713
Premium deposits		87,815,861	97,616,434
<b>Liabilities and provisions</b>		<b>838,260,374</b>	<b>881,281,712</b>
Estimated liability in respect of outstanding claims whether due or intimated		39,992,987	36,021,294
Amount due to other persons or bodies carrying on insurance business		193,492,667	245,136,501
Sundry creditors		107,720,061	125,500,421
Unclaimed Dividend		4,736,266	6,361,423
Income tax provision		462,236,854	439,312,997
Deferred tax liability		30,081,539	28,949,076
<b>Total shareholder's equity &amp; liabilities</b>		<b>1,965,407,876</b>	<b>1,984,997,273</b>
<b>Property and Assets :</b>			
<b>Non-current assets</b>		<b>670,943,779</b>	<b>676,804,868</b>
Property, plant and equipment		417,935,247	434,034,424
Bangladesh Govt Treasury Bond		25,000,000	25,000,000
Investment (at fair value)		228,008,532	217,770,444
<b>Current assets</b>		<b>1,294,464,097</b>	<b>1,308,192,405</b>
Stock of printing & stationery		1,637,592	1,601,972
Insurance stamp in hand		1,304,903	1,358,817
Interest accrued but not received		21,017,066	20,010,650
Amount due from other persons or bodies carrying on insurance business		252,470,347	242,859,585
Sundry debtors (including advances, deposits & pre-payments)		426,262,212	426,267,344
<b>Cash and cash equivalents</b>		<b>591,771,977</b>	<b>616,094,037</b>
Cash in hand		3,145,929	2,840,425
Cash at Bank		56,722,586	49,000,150
Fixed deposit receipt (FDR)		531,903,462	564,253,462
<b>Total assets</b>		<b>1,965,407,876</b>	<b>1,984,997,273</b>
<b>Net Assets Value Per Share (NAVPS)</b>	<b>12.00</b>	<b>21.02</b>	<b>19.51</b>

The accompanying notes 1 to 16 form an integral part of these financial statements.

  
**Md. Obaidul Akbar**  
 Chief Finance Officer

  
**Mahamudhul Hasan, FCS**  
 Company Secretary

  
**Abdul Hamid, FCA**  
 Chief Executive Officer

  
**Md. Akter Hossain Sannamat, FCA**  
 Director

  
**Suzadur Rahman**  
 Chairman

Place: Dhaka

Dated: July 31, 2023

**Prime Insurance Company Limited**  
**Statement of Profit & Loss and Other Comprehensive Income(Un-audited)**  
**For the Second Quarter Ended June 30, 2023**

Particulars	Note	2023		2022	
		January to June	April to June	January to June	April to June
		Amount in Taka	Amount in Taka	Amount in Taka	Amount in Taka
Gross direct premium		599,835,183	276,507,467	593,246,786	270,464,334
Premium on PSB		67,439,493	24,587,650	54,782,346	28,727,763
<b>Total Gross Premium Income</b>		<b>667,274,676</b>	<b>301,095,117</b>	<b>648,029,132</b>	<b>299,192,097</b>
Less : Re-insurance ceded		421,504,537	185,125,932	284,413,212	109,665,101
Less : R/I premium on PSB		60,952,563	20,921,020	48,597,705	25,383,834
<b>Net Premium Income</b>		<b>184,817,576</b>	<b>95,048,165</b>	<b>315,018,215</b>	<b>164,143,162</b>
Add : Net R/I commission earned		119,854,198	39,124,563	106,800,913	41,578,554
Add : Net premium reserve retained		208,724,713	155,909,318	99,370,511	66,247,007
Less : Reserve for unexpired risk.		(180,128,755)	(142,151,317)	(125,900,088)	(64,489,222)
Less : Agent commission		(86,057,695)	(36,761,291)	(88,987,018)	(40,385,010)
Less: Management expenses ( Revenue A/c)		(143,942,896)	(81,189,499)	(136,677,246)	(62,079,513)
Less: Management expenses ( P/L A/c)		(38,036,704)	(20,062,184)	(23,433,234)	(11,177,655)
Less : Net claims		(7,277,282)	3,682,716	(17,133,907)	(6,239,613)
<b>Operating Profit ( U/W Profit/ (Loss )</b>		<b>57,953,155</b>	<b>13,600,471</b>	<b>129,058,146</b>	<b>87,597,710</b>
<b>Add : Investment &amp; Other Income :</b>		<b>27,931,636</b>	<b>23,872,429</b>	<b>(8,843,013)</b>	<b>(14,556,404)</b>
<b>Profit Before Tax :</b>		<b>85,884,791</b>	<b>37,472,900</b>	<b>120,215,133</b>	<b>73,041,306</b>
Less : Provision for income tax	13.00	22,923,857	7,156,209	29,795,540	16,007,411
Less : Deferred tax expenses/(income)	13.01	1,132,463	(3,462,701)	4,627,247	1,638,285
<b>Net Profit after Tax</b>		<b>61,828,471</b>	<b>33,779,392</b>	<b>85,792,346</b>	<b>55,395,610</b>
<b>Earning Per Share (EPS)</b>	<b>11.00</b>	<b>1.51</b>	<b>0.82</b>	<b>2.10</b>	<b>1.36</b>

The accompanying notes 1 to 16 form an integral part of these financial statements.

  
**Md. Obaidul Akbar**  
 Chief Finance Officer

  
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 Company Secretary

  
**Abdul Hamid, FCA**  
 Chief Executive Officer

  
**Md. Akter Hossain Sannamat, FCA**  
 Director

  
**Suzadeur Rahman**  
 Chairman

Place: Dhaka  
 Dated: July 31, 2023

**Prime Insurance Company Limited**  
**Statement of Cash Flows (Un-Audited)**  
**For the Second Quarter Ended June 30, 2023**

Particulars	Note	Amount in Taka	
		January to June 2023	January to June 2022
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Collection from premium & Others		783,916,568	650,193,653
Payment for management expenses, re-insurance and claims		(710,189,315)	(434,902,040)
Income tax, VAT, Stamp paid & Others		(68,674,787)	(61,316,900)
<b>Net cash flows from operating activities</b>		<b>5,052,466</b>	<b>153,974,713</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of fixed assets		(8,419,490)	(51,755,762)
Investment in shares		(35,224,168)	(16,742,839)
Fixed deposit receipt- (increased) decreased		32,350,000	(128,763,896)
Income from office rent		1,616,040	2,760,038
Interest received		11,877,645	11,678,547
Dividend received		2,400,604	4,260,318
<b>Net cash flows from investing activities</b>		<b>4,600,631</b>	<b>(178,563,594)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Unclaims dividend paid		(1,625,157)	-
Cash dividend paid		-	-
<b>Net cash flows from financing activities</b>		<b>(1,625,157)</b>	<b>-</b>
<b>Increase/(decrease) in cash and cash equivalent (A+B+C)</b>		<b>8,027,940</b>	<b>(24,588,881)</b>
Cash and cash equivalent at the beginning of the year (excluding FDR )		51,840,575	62,857,380
<b>Cash and Cash Equivalent at the closing of the year</b>		<b>59,868,515</b>	<b>38,268,500</b>
<b>Net operating cash flow per share</b>	<b>14.00</b>	<b>0.12</b>	<b>3.77</b>


The accompanying notes 1 to 16 form an integral part of these financial statements.

  
**Md. Obaidul Akbar**  
 Chief Finance Officer

  
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 Director

  
**Suzadur Rahman**  
 Chairman

Place: Dhaka

Dated: July 31, 2023



**Prime Insurance Company Limited**  
**Statement of Changes in Shareholders' Equity (Un-Audited)**  
**For the Second Quarter Ended June 30, 2023**

Particulars	Share capital	General reserve Fund	Reserve for exceptional losses	Profit & loss appropriation account	Total
Balance as at January 1, 2023	408,774,980	11,400,000	331,368,032	45,831,402	797,374,414
Paid Cash dividend	-	-	-	-	-
Profit after tax for the year	-	-	-	61,828,471	61,828,471
Appropriation made during the year	-	-	18,481,757	(18,481,757)	-
Balance as at June 30, 2023	408,774,980	11,400,000	349,849,789	89,178,116	859,202,885

**Prime Insurance Company Limited**  
**Statement of Changes in Shareholders' Equity (Un-Audited)**  
**For the Second Quarter Ended June 30, 2022**


Particulars	Share capital	General Reserve	Reserve for exceptional losses	Profit & Loss Appr. Account	Total
Balance as at January 1, 2022	408,774,980	11,400,000	279,774,023	61,572,328	761,521,331
Paid Cash dividend	-	-	-	-	-
Profit after tax for the year	-	-	-	85,792,346	85,792,346
Appropriation made during the year	-	-	59,324,679	(59,324,679)	-
Balance as at June 30, 2022	408,774,980	11,400,000	339,098,702	88,039,995	847,313,677

The accompanying notes 1 to 16 form an integral part of these financial statements.

  
**Md. Obaidul Akbar**  
 Chief Finance Officer

  
**Mahamudhul Hasan, FCS**  
 Company Secretary

  
**Abdul Hamid, FCA**  
 Chief Executive Officer

  
**Md. Akter Hossain Sannamat, FCA**  
 Director

  
**Suzadur Rahman**  
 Chairman

Place: Dhaka  
 Dated: July 31, 2023

**Prime Insurance Company Limited**  
**Notes to the Financial Statements (Un-Audited)**  
**For the Second Quarter Ended June 30, 2023**

**1.00 Legal form of the Company**

The Company was incorporated as a public limited company on 21 March 1996 under the Companies Act, 1994 and obtained registration from the Chief Controller of Insurance, Government of Bangladesh on March 31, 1996 concurrently. The Company has been registered with the Insurance Development & Regulatory Authority (IDRA) under the Insurance Act, 2010 and provides non-life insurance services as per the Insurance Act, 2010 and the Directives issued by the IDRA from time to time. The Company is listed with Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd as a publicly traded company.

**2.00 Address of registered office and place of business of the Company**

The registered office of the Company is located at Unique Heights (9th floor), 117, Kazi Nazrul Islam Avenue, Dhaka-1000, Bangladesh. The business operations of the Company are being carried out through its 41 (Forty one) branches located in all Bangladesh.

**3.00 Principal activities of the Company**

The principal activity of the Company is to carry on all kinds of non-life insurance business. There were no significant changes in the nature of the principal activities of the Company during the period under review.

**4.00 Approval of 2nd quarter Financial Statement :**

The un-audited Financial Statements for the 2nd quarter ended June 30, 2023 were vatted by the Audit Committee of the board in its 119th meeting and also approved by the Board of Directors in its 364th meeting held on 31 July, 2023.

**5.00 Basis of accounting preparation**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. Disclosure of financial information as required by Insurance act 2010 have been complied with and while preparing statement of financial position, statement of profit or loss and other comprehensive income and revenue accounts in applicable cases for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Act, 1938 and new Insurance Act, 2010.

**6.00 Basis of presentation of financial statements**

The Balance Sheet has been prepared in accordance with the regulations as contained in Part -I of the First Schedule and as per Form "A" as set forth in Part - II of that Schedule. Revenue Account of each class of non-life insurance business has been prepared in accordance with the regulations as contained in Part - I of the Third Schedule and as per Form 'F' as set forth in Part - II of that Schedule of the Insurance Act, 1938, in absence of such Forms in the Insurance Act 2010. The classified summary of the assets has also been prepared in accordance with Form "AA" as set forth in Part - II of the aforesaid Act.

**6.01 Compliance statements and general rules & regulations**

The financial statements have been prepared and disclosures of information have been made in accordance with the requirements of Insurance Act 2010, Insurance rules 1958, the Companies Act 1994, the Securities and Exchange Rules 1987, the Securities and Exchange Ordinance 1969, the Securities and Exchange Commission Act 1993, the Listing Regulations of Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd and Guidelines, rules and regulations issued from time to time by the Insurance Development and Regulatory Authority (IDRA).

To comply with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and other applicable laws and regulations.

**6.02 Going concern basis**

The Company has adequate resources to continue in the operation for the foreseeable future. For this reason, the Directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources for providing sufficient funds to meet the present requirements of its existing business and operations.

**6.03 Reporting period**

Financial statements of the company consistently cover from 1 January 2023 to 30 June, 2023.

**7.00 Revenue recognition (IFRS-15)**

Revenue is recognized in accordance with International Accounting Standard (IFRS-15): Revenue from contracts with customers, unless otherwise mentioned or otherwise guided by the separate IAS/IFRS or by Directives of the Regulatory Authority.

**8.00 Allocation of expenses of management**

As per applicable insurance laws relevant management expenses wherever incurred directly or indirectly have been allocated among different Revenue Accounts in respect of Fire, Marine, Motor and Miscellaneous insurance business on pro-rata basis at their respective gross premium income.

**9.00 Cash flow statement**

Cash flow statement is prepared in accordance with IAS-7 Statement of Cash Flows and the cash flow from the operating activities has been presented under direct method as prescribed by the Securities and Exchange Rules-1987. Cash flow statement is broken down into operating activities, investing activities, and financing activities.



#### 10.00 Provision for income taxes

The company has made the income tax provision on the basis of International Accounting Standard (IAS) -12 "Income Taxes", Income Tax Act-2023 as amended from time to time and Finance Act, 2023.

#### 10.01 Current tax provision

The tax currently payable is based on taxable profits for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in succeeding years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates as per Income Tax Ordinance 1984, that have been effective on the balance sheet date.

#### 10.02 Deferred taxes

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilized. Adequate provision has been made for deferred tax to profit or loss and other comprehensive income.

#### 11.00 Calculation of Earnings Per Share (EPS)

This has been calculated by dividing the basic earnings during the period profit after tax divided by the weighted average number of ordinary shares outstanding at the end of the period.

Particulars	Amount in Taka			
	2023		2022	
	Jan- June	April- June	Jan- June	April- June
Net Profit before tax	85,884,791	37,472,900	120,215,133	73,041,306
Less: Provision for income tax	22,923,857	7,156,209	29,795,540	16,007,411
Less: Deferred tax expenses/(income)	1,132,463	(3,462,701)	4,627,247	1,638,285
Net profit after tax	61,828,471	33,779,392	85,792,346	55,395,610
Basic earnings per share after tax (EPS)	1.51	0.82	2.10	1.36
Weighted average number of ordinary shares outstanding at the end of the period	40,877,498	40,877,498	40,877,498	40,877,498

Deviation from previous period: Earnings Per Share (EPS) decreased at the same period of preceding period due to increased of re-insurance Premium.

#### 12.00 Net assets value (NAV) and Net Assets Value Per Share (NAVPS)

Net Asset Value Per Share (NAVPS) has been calculated by dividing net asset value reported in the statement of financial position by the weighted average number of ordinary shares in issue. The calculation of Net Assets Value Per Share (NAVPS) is given below:

Particulars	Amount in Taka	
	30.06.2023	31.12.2022
Net Assets Value (Shareholders' equity)	859,202,885	797,374,414
Number of shares outstanding during the period	40,877,498	40,877,498
Net assets value per share (NAVPS) at the balance sheet date	21.02	19.51

#### 13.00 Provision for income tax

Statement of income	Taxable income	Exempted	Taxable income
Income from business or profession:	57,953,155	18,481,757	39,471,398
Interest income from FDR & STD Accounts	16,884,061	-	16,884,061
Capital gains from share trading	16,835,481	-	16,835,481
Unrealized capital gain on investment in securities	(9,809,390)	-	(9,809,390)
Dividend income from investment in securities	2,400,604	-	2,400,604
Income from office rent	1,616,040	-	1,616,040
Other income	4,840	-	4,840
Total profit/income (before Tax )	85,884,791	18,481,757	67,403,034

### Computation of current period tax provision

Particulars of using Tax payable rate on taxable income against various heads as per Income Tax Ordinance, 1984. Details are given below:

Computation of current period tax	Taxable income	Rate of Tax percentage	Tax provision
Income tax on business @ 37.50%	39,471,398	37.50%	14,801,774
Income tax on interest income @ 37.50%	16,884,061	37.50%	6,331,523
Income tax on capital gains from share trading @ 10%	7,026,091	10.00%	702,609
Income tax on dividend income @ 20%	2,400,604	20.00%	480,121
Income from office rent @ 37.50%	1,616,040	37.50%	606,015
Other income @ 37.50%	4,840	37.50%	1,815
<b>Total tax liability during the period 30 June, 2023</b>	<b>67,403,034</b>		<b>22,923,857</b>

#### 13.01 Deferred tax

The impact on account of changes in the deferred tax assets/liabilities for the period ended has been recognized in the statement of profit or loss and other comprehensive income (Profit & loss account) and in the statement of financial position as per International Accounting Standard (IAS)- 12 Income Taxes"

	Amount in Taka	
	30.06.2023	30.06.2022
Carrying amount of property, plant and equipment excluding land	389,649,983	406,078,850
Tax base	298,852,174	344,711,106
<b>Total difference</b>	<b>90,797,809</b>	<b>61,367,744</b>
Less: Permanent difference	3,181,153	1,511,320
<b>Taxable temporary difference</b>	<b>87,616,656</b>	<b>59,856,424</b>
Provision for gratuity	(3,974,678)	1,280,643
Provident fund payable	490,946	226,536
Provision for incentive bonus	8,267,113	10,351,179
<b>Deductible temporary difference</b>	<b>4,783,381</b>	<b>11,858,358</b>
Provision for change in fair value of shares	9,809,390	(1,879,449)
<b>Total (taxable)/deductible temporary difference</b>	<b>82,833,275</b>	<b>47,998,066</b>
<b>Tax rate</b>	<b>37.50%</b>	<b>37.50%</b>
Deferred tax assets/(liability) as at 31 December (Tax rate 37.50%)	31,062,478	17,999,275
Deferred tax assets on Change in fair value of shares (10%)	(980,939)	187,945
Deferred tax assets/(liability) as at 31 December	<b>30,081,539</b>	<b>18,187,220</b>
<b>Deferred tax liability in previous year</b>	<b>28,949,076</b>	<b>13,559,973</b>
Deferred tax expense/(income) for the year	<b>1,132,463</b>	<b>4,627,247</b>

#### 14.00 Net operating cash flows

Net Operating Cash Flows (NOCFs) per share has been calculated by dividing net cash used in operating activities reported in the cash flows statement by the weighted average number of ordinary shares in issue.

	Amount in Taka	
	30.06.2023	30.06.2022
Net cash used in operating activities	5,052,466	153,974,713
Weighted average number of shares	40,877,498	40,877,498
<b>Net operating cash flows per share (NOCFPS) on shares at balance sheet date</b>	<b>0.12</b>	<b>3.77</b>

**Deviation from previous period:** Cash flow per share decreased of the same period of preceding period due to payment of re-insurance and provisional expenses.



#### 14.01 Reconciliation of net profit to net operating cash flow

Net profit before tax

##### Adjustment:

Depreciation

Interest income

Dividend income

Increased/(Decreased) of fair value on investment in shares

Profit/Loss on sales share

Income from office rent & Others

##### Changes in working capital:

Increase/(decrease) the balance of fund

Increase/(decrease) the premium deposit

Increase/(decrease) of amount due to other persons or body

Increase/(decrease) of Outstanding claims

Increase/(decrease) of sundry creditor except payable for fixed asset and tax payable

(Increase)/decrease of Accrued interest & others

(Increase)/decrease of Advance, deposit & prepayment except AIT, Advance for fixed assets

(Increase)/decrease of amount due from other persons or body

(Increase)/decrease of investment shares & FDR

(Increase)/decrease Stock of printing & stationery

(Increase)/decrease Insurance stamp in hand

Income tax paid & Source Tax

Net cash generated from operating activities

Amount in Taka	
30.06.2023	30.06.2022
85,884,791	120,215,133
24,518,668	15,846,463
(11,877,645)	(11,678,547)
(2,400,604)	(4,260,318)
9,809,390	(1,879,449)
(16,835,481)	29,905,540
(1,616,040)	(2,760,038)
(28,595,957)	(6,593,925)
(9,800,573)	(56,881,867)
(51,643,834)	82,603,434
3,971,693	(20,416,895)
(19,405,517)	22,307,268
(1,006,416)	8,108,642
6,954,205	124,426,181
(9,610,762)	9,565,440
35,224,168	(147,939,872)
(35,620)	323,419
53,914	930,228
(8,535,914)	(7,846,124)
<b>5,052,466</b>	<b>153,974,713</b>

#### 15.00 Transaction with related parties

Prime Insurance Company Ltd in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party transaction as per International Accounting Standard (IAS)-24 and under the condition No 1(5)(vi) of the Corporate governance Code (CGC) guidelines of 2018, of the Bangladesh Securities & Exchange Commission rules and regulations. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Detail of transactions with related parties and balances with them as at June 30, 2023 are as follows:


Name of the related party	Relationship	Name of transaction	Premium earned	Premium outstanding during the year against Bank Guarantee	Amount realized subsequently	Claim Paid
Ramisha Group	Common Director	Insurance	14,623,052	-	-	-
Maksons Group	Common Director	Insurance	6,824,571	-	-	-
Total			<b>21,447,623</b>	-	-	-

#### 16.00 Workers' Profit Participation and Welfare Fund (WPPF)

Bangladesh Association of Publicly Listed Companies (BAPLC) has written a letter to the Hon'ble state Minister of the Ministry of Labor and Employment and other concerned Ministries namely Finance Minister, Commerce Minister and Law Minister, the Hon'ble Secretaries of the above Ministries, Hon'ble Advisor to HPM for Private Industry & Investment with a request for amendment of Chapter 15 of Labor Act 2006. Since the decision is pending, Prime Insurance Company limited is yet to decide about the implementation of WPPF.

  
Md. Obaidul Akbar  
Chief Finance Officer

  
Mahamudhul Hasan, FCS  
Company Secretary

  
Abdul Hamid, FCA  
Chief Executive Officer

  
Md. Akter Hossain Sannamat, FCA  
Director

  
Suzadur Rahman  
Chairman

Place: Dhaka  
Dated: July 31, 2023